

# NOVA SCOTIA newsletter

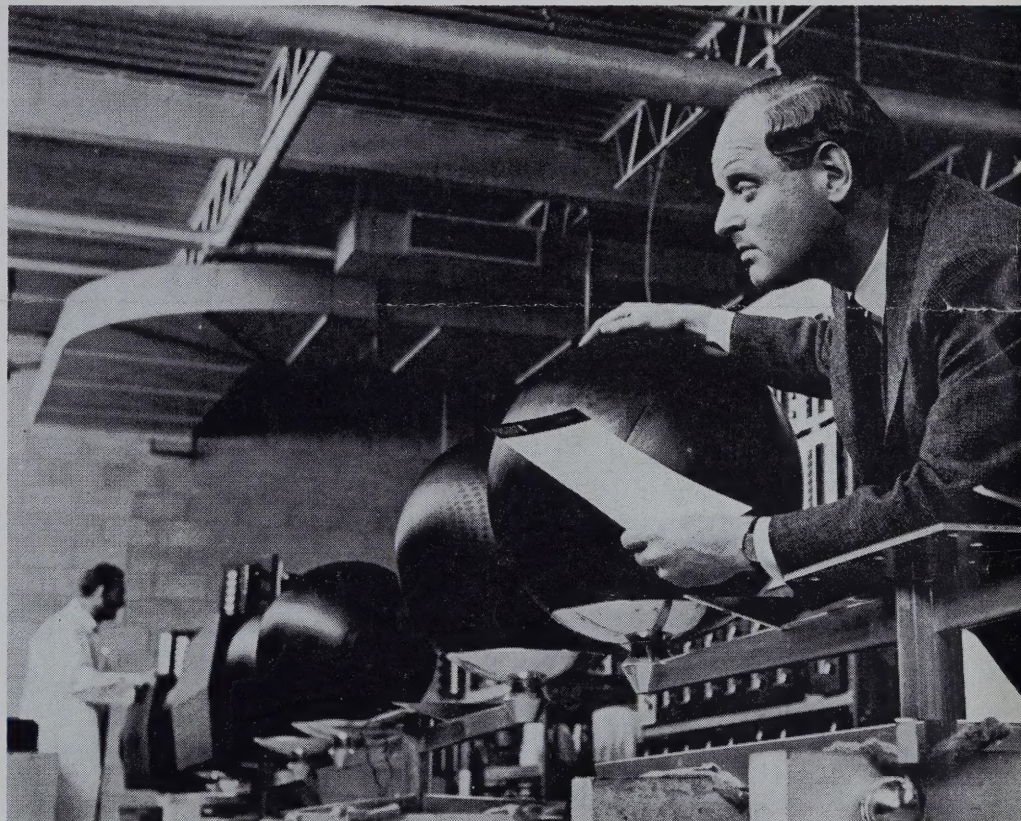
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Nova Scotia Newsletter

November, 1964

*Clairtone's new multi-million dollar plant will be the world's most modern and give Nova Scotia's industrial complex*

## dimensions in SOUND



A new dimension has been added to Nova Scotia's industrial force; the dimension of sound. And within this sound itself there are many dimensions that are destined to have a profound effect on the province's industrial development and economy.

Peter Munk, the youthful and eloquent president of Clairtone Sound Corporation, introduced the new sound to the province in mid-November when he told a press conference his company would build the world's most modern electronic sound equipment plant in Pictou County, N. S.

In a joint statement with Mr. Munk, Frank H. Sobey, president of Industrial Estates Limited, said the Crown corporation had underwritten \$7,945,000 of Clairtone bonds to finance the multi-million dollar project.

With an initial employment of 700 and an eventual work force of more

than 2,000, Clairtone is the largest single employer ever brought to Nova Scotia by Industrial Estates Limited. But the importance of the plant goes far beyond employment statistics.

Both Mr. Munk and Mr. Sobey foresaw Clairtone's establishment in Nova Scotia as a magnet to ancillary industries.

"It is possible to foresee the growth of a whole new industry for Nova Scotia in this field as this industry is young and without a central base," said Mr. Munk. "It is an industry for which Canada could become known in the markets of the world and one which should find this province a very satisfactory home base near the export markets."

The Economic Research Council of Washington, D.C., assesses the value of an electronics industry this way:

"The electronics plant has been the prize catch for any community

*Clairtone president Peter Munk on the assembly line of the firm's revolutionary Project G. In 1958, year the company was founded, sales were \$80,000. Last year they reached \$9,000,000.*

engaged in industrial development, and the prime objective of many development organizations. The industry pays relatively high wages, is generally not subject to extreme seasonal fluctuations, is smoke-free, odor-free, presents no problems of effluent disposal, and is not dependent on heavy transportation facilities."

Mr. Munk was emphatic on the reasons for his company establishing in Nova Scotia. He summed them up as "integrity, fine craftsmanship and honesty." Then he elaborated:

"Some months ago we began to explore the possibilities of a new plant site, and entered into negotiations with several provincial agencies.

"We were greatly impressed from



the beginning by the Maritime provinces, and the dynamic leadership shown by Nova Scotia and particularly by Industrial Estates Limited. We were convinced that we should take a closer look at this province as the future base for a new manufacturing operation.

"We did so, and satisfied ourselves that Nova Scotia provided many advantages to our company - easy access to the United States markets where some 50 per cent of Clairtone's product is sold, and to European markets where our company sends both finished sets and components.

"And the people of Nova Scotia won our hearts; they have a natural affinity to our concept of integrity, fine craftsmanship and uncompromising quality.

"Here we saw artisans with real pride in their work and knew that we would be able to find people to

carry on our tradition of fine workmanship.

"This, coupled with the aggressive determination of the province's leaders to make Nova Scotia a factor in Canada's industrial development, assured us that we could find no more suitable location for our new complex."

Mr. Sobey said Pictou County was chosen as the site following extensive studies covering industrial and community analyses over a period of three months. Clairtone sent personnel to conduct studies.

"And these people were told that they would be moving to the location of the new plant," said Mr. Munk. "They were not only choosing a site for a new plant, but a new home for themselves and their families."

The studies also concentrated on the quality of labor available and the facilities for training staff in the

highly technical skills of electronics. The Economic Research Council defines the type of community wanted by such companies:

"Companies in this field tend to cluster in communities where exceptionally good educational and research facilities are available. The discovery and development rate has been so high that no company engaged in this work could afford to be in a remote location, or in one where information on the most recent developments would not be immediately at hand."

Staff for the plant will be trained by Clairtone personnel and through a program being mapped out by the company and the Vocational Education Division of the Education Department.

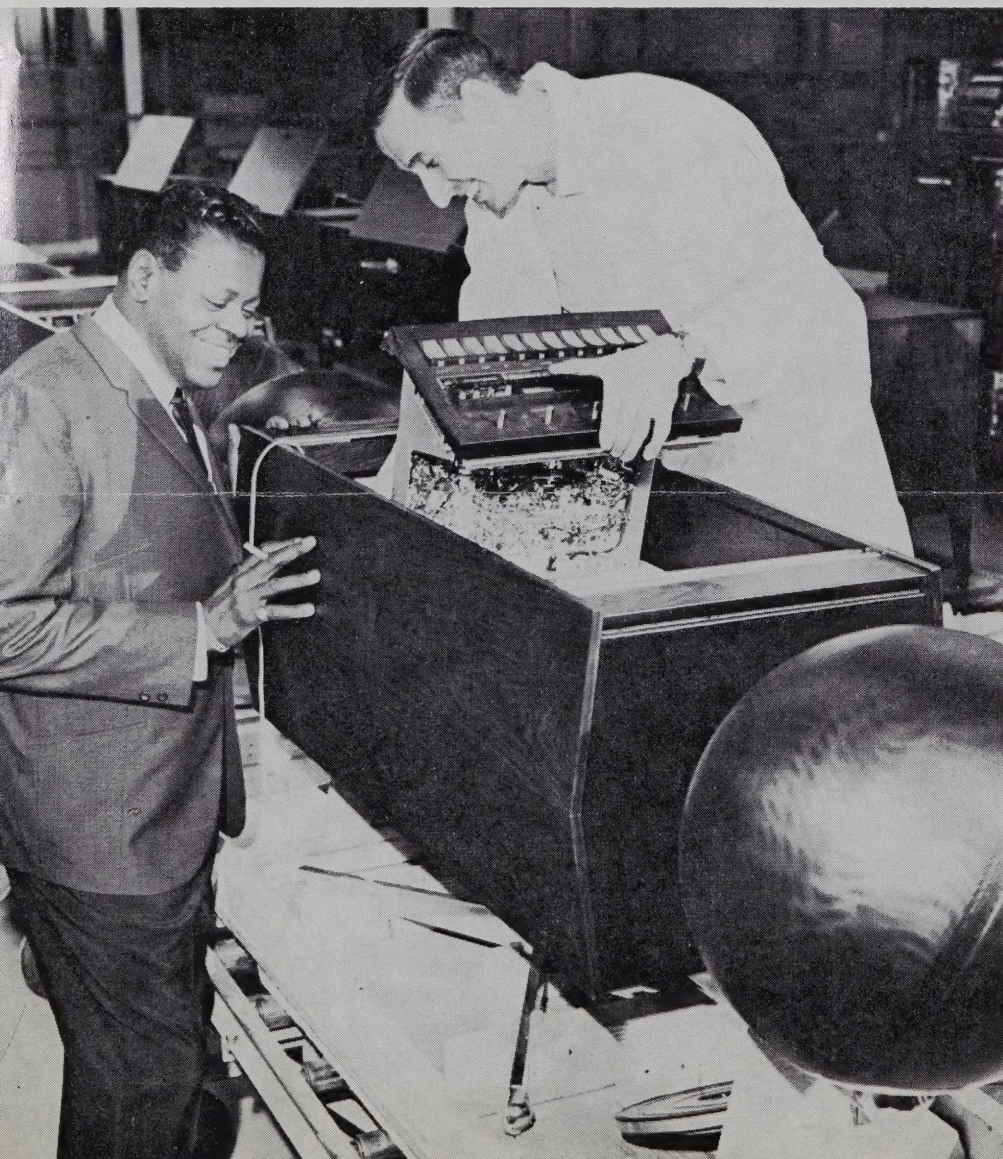
Labor training has already been started in connection with Industrial Estates' projects. A program coordinated by the Education Department, provincial and federal departments of labor and National Employment Service is training workers for construction of Deuterium of Canada Limited's heavy water plant at Glace Bay, N. S.

It was less than a year ago that IEL announced that Deuterium would build the world's first large scale commercial heavy water plant in the Cape Breton town. Construction of the \$30,000,000 venture is now underway.

During the past summer construction of manufacturing plants for IEL gave direct employment to more than 700 Nova Scotians. This work was being done on nine projects, four of them for Nova Scotia companies.

When building reaches its peak on the heavy water plant next year the work force is expected to reach 2,000. This number will be increased by an estimated 500 to be employed on the construction of Clairtone's plant.

Mr. Munk said the plant itself will be a showplace of design excellence embodying every modern aid to efficiency. Construction on the 250,000-square-foot plant is scheduled to begin early in 1965 and the



*Famed jazz pianist Oscar Peterson watches final assembly of his Project G at Clairtone's Rexdale, Ont., plant. Peterson is one of many artists who have called Project G "the greatest" in sound reproducing equipment. Sophisticated design and uncompromising craftsmanship are the two chief factors contributing to Clairtone's success.*



first phase will be in operation in April. The entire complex will be completed within a year.

The company visualizes a model community building up around the plant.

To be housed in the new complex are a television division, electronic chassis manufacturing division, cabinet plant, final assembly of all Clairtone products, research laboratories, both product and pure science, offices and warehouse facilities for the eastern region.

Mr. Munk said that next year, for the first time, Clairtone will offer a full line of console and portable television models.

"This will be television with a difference - units of unique and sophisticated design. Evidence of our ability to lead is shown in the fact that we pioneered the solid state system in home entertainment products in Canada and the public can expect this sort of leadership in the new television line also."

Clairtone is the third Canadian manufacturer to enter this field, and the first new entry in about 10 years. This division will employ 150 people.

One of the most important phases of the operation, and the first to be completed, will be the chassis plant employing 250 people. This factory,

besides supplying the tuner, or radio, and control portion for Clairtone sets in Canada and the U.S., will also supply all the electronics for Chairtone sets manufactured by Ditchburn Clairtone in Britain for the British and European markets.

The cabinet plant, employing between 200 and 300, will be fully integrated, the operation taking the raw wood through drying processes, design and furniture making.

"Clairtone jealously guards its reputation for fine cabinetry and feels confident that maintenance of its high standards will be facilitated by the availability of many proud and experienced artisans in Nova Scotia," said Mr. Munk.

He said that with the opening of the new plant, Clairtone's complete vertical integration would become a fact, and the resulting efficiencies would permit a continuation of the dramatic growth for which the company is known.

This growth has been perhaps the most spectacular in Canadian industrial history. The company was founded in 1958 by the Hungarian-born president and executive vice-president and treasurer David H. Gilmour. That year the company had four employees and sales totalled \$60,000.

With 40 employees in 1959 sales

reached \$311,000. By 1960 sales were \$2,000,000, went to \$3,500,000 in 1961, rose to \$6,726,000 in 1962 and by 1963 with a work force of 500 and production of 25,000 sets the sales totalled \$9,000,000.

Distribution of Clairtone's products - quality stereophonic high-fidelity radio phonograph television combinations, is through 300 franchised dealers in Canada, 250 leading department stores in the U.S. and major stores in Europe.

One employee in 25 at Clairtone is engaged in research, and this strong emphasis has been responsible for the company's lead in the industry. This year the firm went one step further and established a research section in which company engineers are engaged in pure scientific research in the field of advanced electronics.

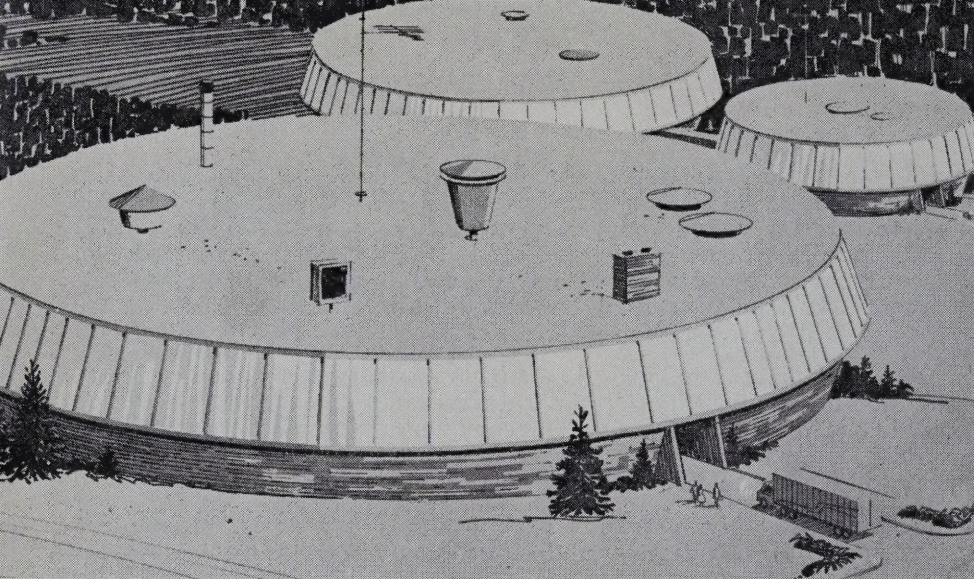
Results of this intensive research program are best seen in Clairtone's revolutionary "Project G" unveiled in January this year.

This new sound system is the most sophisticated machine of its kind in the world and with rotational sound globes is the only console unit which permits control of the direction of sound. It is the first new control since stereo was introduced.

Project G has not only won acceptance with consumers, but has cap-







*This is an artist's conception of the multi-million dollar Clairtone Sound Corporation plant to be built in Pictou County, N. S.*

tured some of the most coveted design awards in the world. Included in these awards is a silver medal for design excellence from the 13th annual Triennale of industrial design in Milan, Italy. The Clairtone product was competing with 15,000 products exhibited by 30 countries.

The Clairtone announcement climaxed many months of negotiations and the company became the 35th client of IEL. Mr. Munk departed from the general theme of his press conference to compliment IEL president Sobey and general manager R. W. M. (Bob) Manuge.

"We found these men unflinching in their graciousness during negotiations, ready to meet with us anywhere at a moment's notice," he said. "Above all we found in them the most sincere integrity and honesty, the two qualities on which we have built our company."

These qualities have made IEL one of the most successful industrial development forces on the continent. Its work is done quietly and in secret. Its staff, particularly general manager Manuge, are among the most widely travelled people in

Canada.

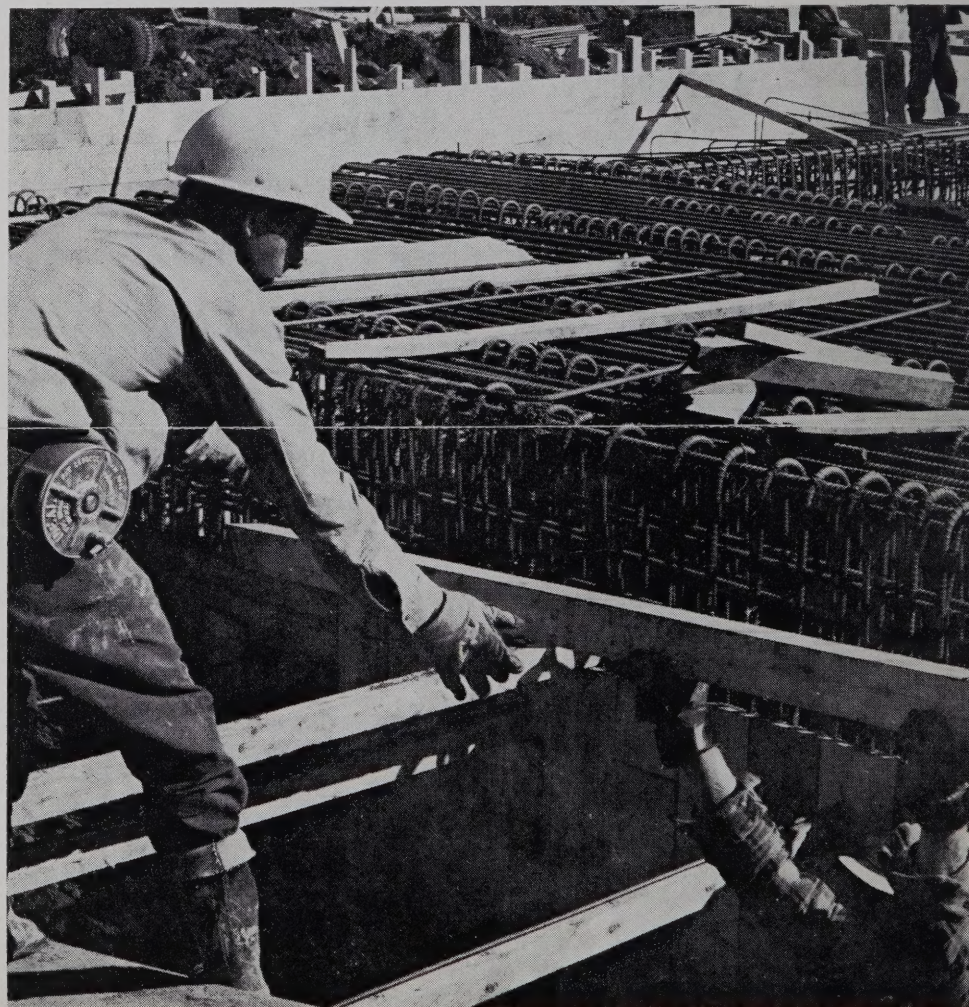
Clairtone heads a list of clients with such impressive names as Deuterium, Canada Cement Company Limited, Reynolds International and AB Volvo of Sweden. But within two days of the Clairtone announcement Mr. Manuge was boarding a plane to meet with other industrialists.

The corporation, which works in-

dependently of government and has a board of directors made up of the province's top business and financial brains, had its outstanding success recognized this year with an increase in capital to \$50,000,000 from \$18,000,000.

Mr. Munk offered the challenge of the future:

"The aim of the province of Nova Scotia and Clairtone Sound Corporation are the same: to develop Canada's reputation as a producer of manufactured goods rather than primary produce, to abolish the 'Buy Canadian' motto and permit pride for Canadians in a 'Sell Canadian' slogan."



*Nine Industrial Estates Limited projects underway this year gave direct employment to 700 Nova Scotia construction workers, like these building Canada Cement Company's plant near Truro. With building at its peak on Deuterium of Canada Limited's heavy water plant at Glace Bay and Clairtone's complex next year's figure is expected to reach 2,500.*

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